One Voice for Health Procurement

Ways of Working

16/10/2014
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1. Introduction and Background

The health system is currently undergoing a series of further reforms which will see the development of hospital and community groups to strengthen the delivery of frontline health and social care services. To support these changes, the Directorate of the HSE has established Health Business Services (HBS), a shared service division which includes Procurement amongst its range of functions. The HBS strategy was adopted in February 2014 and is currently being implemented.

A key component of this strategy is ‘one voice for health sector procurement’. In accordance with the Government Decision of 23rd April 2013, all agencies funded via the HSE are required to collaborate regarding procurement, delivering ‘one voice for health sector procurement’. The HSE Director General has requested HBS Procurement to lead the development of the concept and its subsequent implementation.

While initially the focus will be on delivering the sourcing elements of procurement, it is important that the ‘one voice’ concept extends beyond sourcing to include logistics, business support and programme management in order to deliver on the Government Decision and associated benefits and savings targets.

This document sets out the ways of working which will enable procurement in the health sector to act with “one voice”.

Health Business Services

The mission of HBS is to provide high quality business services to the Irish health system. This strategy envisages increasing joint working between the voluntary and statutory services within the health environment across a range of areas of service provision. HBS provides services in the areas of estates, procurement, ICT, finance, HR and HR systems. HBS Customers include all publicly funded public and voluntary healthcare agencies. In the procurement area the strategy of HBS is to have a single integrated approach for health procurement, serving all HBS customers in delivering sourcing and logistics requirements for all categories of procurement.

In developing the strategy for HBS, the HSE consulted widely within the HSE and with the voluntary acute, mental health and disability sectors. The HSE acknowledges the very positive approach of the voluntary sector to the engagement.

The reporting relationship for HBS is set out in the diagram below. The National Director for HBS reports to the Director General of the HSE as set out.

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1 In the remainder of this document the term “Healthcare Agencies” is used to refer to all publicly funded public and voluntary healthcare agencies
The vision for HBS is set out below;

To be a customer focused provider of leading practice business services to the health system

The main areas of objective are set out over the five areas in the diagram below. The strategy implementation has identified 43 actions including specific procurement actions relating to sourcing, logistics (including Kanban) and working with the Office for Government Procurement (OGP). These actions are reflected in the functional plan for procurement as part of the HBS strategy implementation process.

Procurement
Within HBS, Procurement is one of the functions reporting to the National Director, Health Business Services, as illustrated below:-

Health has been a leader in developing sector wide approach to procurement for some years. HBS Procurement is responsible for sourcing, purchasing, storage and distribution of goods
and services within HSE. It is important to note that significant procurement savings have been achieved by the health sector of €230m between 2010 and 2014.

The Procurement function is comprised of sourcing and logistics functional elements.

**HBS Logistics** is responsible for the purchasing, storage and distribution of goods and services to optimise efficiencies and achieve best value for money in the delivery of patient care. A new operating model for Logistics and Inventory Management (LIM) has been introduced based on a National Distribution Centre (NDC) and 8 distribution hubs. New Voice picking technology has been implemented in the NDC (National Procurement Award winner; NDC SAP). To date significant savings have been achieved, along with the consolidation of LIM stores (18 closures to date) throughout the country. In addition, overall staff numbers have been reduced by in excess of 11% from 2009 to date.

**HBS Sourcing:** is responsible for expenditure planning and sourcing strategy development to meet service delivery requirements, customer requirements and regulatory requirements for goods, services and equipment.

Sourcing activities include;

- Proactively coordinating requirements and conducting competitive tender processes to leverage economies of scale and establish formal contracts delivering optimum value for money.
- Supply base development and contract management to ensure a sustainable and competitive environment enabling the Health Service to have access to an accredited, responsive, sustainable supply base
- Compliance with governing procurement legislation and National Financial Regulations (NFR).

Sourcing activities contribute directly to Healthcare Service Delivery as well as generating non-pay savings e.g. Equipping & Commissioning of Services, Health Informatics, Health Professional Services, Consultancy Services etc.

There are approximately 650 Sourcing Projects currently in the HBS Sourcing ‘live’ pipeline and it is likely that a similar demand / growth environment and challenges face each Voluntary Agency. The combined effects of a health sector approach will eliminate unnecessary duplication and therefore maximise resource efficiencies and give wider coverage of compliant contracts.

In addition to the re-organisation in the Health Sector there is also the reform of public procurement as a key public service reform program designed to reduce cost and achieve better value for money while maintaining excellent service for the public sector. An overall public service savings target of €500m over 3 years has been set by the Department of Public Expenditure and Reform (DPER) which includes the health sector. The amount to be allocated to the health sector for 2015 is estimated at €68 Million. HBS Procurement is required to prepare multi-annual plans to deliver its share of these savings.

To lead this reform program across the public sector the OGP was launched in July 2013. It operates as an office of the Department of Public Expenditure and Reform, and has introduced a strong central governance model for procurement. The new model is based on
the concept of “One Voice for Procurement”, and applies across all Government departments and agencies. The key features of the new model are:

- The Public Service will speak with ‘one voice’ to the market.
- Common goods and services will be sourced from one office, formed from resources who will come together from across the civil and public service.
- Health, Education, Local Government and Defence will each retain a single sector procurement function to procure sector-specific categories.

This is illustrated in the following diagram:

The HSE will continue to govern the procurement operations of the health system for health specific purposes as set out in the Health Act 2004. It will also work with the OGP in accordance with the memorandum of understanding to be agreed and cooperate with the Office of Government Procurement in support of the government strategy across the public sector. The Sectors that have retained a single sector procurement function to procure sector-specific categories will also source requirements from these categories on behalf of the wider public sector.

The following table sets out the categories which will be led by OGP and each sector:

<table>
<thead>
<tr>
<th>OGP Led Categories</th>
<th>Sector Led Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td>Local Government</td>
</tr>
<tr>
<td>Facilities Management and Maintenance</td>
<td>- Minor Building Works and Civils</td>
</tr>
<tr>
<td>Utilities</td>
<td>- Hunt, Pest</td>
</tr>
<tr>
<td>ICT and Office Equipment</td>
<td>- Medical Professional Services</td>
</tr>
<tr>
<td>Marketing, Print and Stationery</td>
<td>- Medical and Diagnostic Equipment and Supplies</td>
</tr>
<tr>
<td>Travel and HR Services</td>
<td>- Medical, Surgical and Interventional Supplies</td>
</tr>
<tr>
<td>Fleet and Plant</td>
<td>- Defence and Security</td>
</tr>
<tr>
<td>Managed Services</td>
<td>- Education</td>
</tr>
<tr>
<td></td>
<td>- Veterinary and Agriculture</td>
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<tr>
<td></td>
<td>- Laboratory Equipment</td>
</tr>
</tbody>
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This new Government Procurement Model presents a significant challenge for HBS Procurement while building up the resource levels and skills for healthcare category sourcing to the levels proposed by DPER. It is imperative therefore that current duplication of activity is eliminated and the collective Health Sourcing WTE resource is aligned under one sourcing programme / governance. There will be a critical dependency also on OGP to transition the non-healthcare categories in the agreed timescales in order to meet the service levels required for healthcare agencies and institutions.

**Implementation of a Single Integrated Health Procurement – Consultation Process**

Against this background, the health sector has been mandated to implement a single integrated procurement approach for the sector, incorporating the HSE and all healthcare agencies and institutions which are in receipt of government funding.

In order to develop this plan for the implementation of a single integrated procurement function, HBS Procurement held an initial meeting with senior stakeholders that included CEO’s from the voluntary hospitals in April 2014. Working Groups were formed and workshops were held during May and June 2014 to review the high level concepts and plans drafted by HBS Procurement. In quarter two of 2014 the process of developing this new operating model was initiated and the HBS procurement function has met twice in group and on a number of occasions in smaller working groups with the voluntary sector to address aspects of procurement. These sessions have been well supported by personnel from across the health environment understanding the need for a single approach to health procurement.

This document sets out a new operating model for the sourcing element of procurement in the first instance to respond to the changed organisational structures within the health sector. It sets out high level proposals and plans for the implementation of the new health procurement approach. Co-operation across the health sector to date has been vital in achieving improved value and savings over the last few years and the continued involvement of the voluntary sector will underpin a single health procurement strategy going forward.
2. Proposed Operating Model
This section sets out at a high level the proposed operating model and ways of working for health procurement. This approach will be implemented across the HSE and voluntary bodies.

HBS Procurement Mission and Objectives
The proposed mission statement of HBS Procurement is:-

*To deliver procurement excellence to all Public Healthcare Agencies in a manner compliant with policy and best practice and to deliver value for money through our own activities and by working effectively with OGP and other sectors to leverage buying power of the public sector.*

The overall objectives are:-

- Delivering a high quality of service to patient/client care providers.
- Developing and maintaining an accredited, responsive and sustainable supply base
- Ensuring compliance with governing procurement legislation and EU directives and government guidelines.
- Effective use of funds providing sustainable value for money.

This is represented in the diagram below;

Guiding Principles
The proposed operating model has been developed in accordance with the following guiding principles which have been discussed and agreed with the Working Groups:-
• The overall goal is to provide effective support for patient / client care and the
delivery of frontline health and social care services as required.
• The model is designed to comply with the requirements of the Government decision—
“One Voice Health”.
• Compliance with national initiatives and contracts is mandatory, not optional.
• There will be a single integrated approach for health procurement. It will include all
healthcare sector funded agencies in delivering customer requirements for all
categories of procurement.
• The proposed model is designed to sustain the savings already achieved in the Health
Sector and enable further value and compliance to be realised.
• HBS Procurement will represent Healthcare customers on the OGP executive
ensuring prioritisation of requirements and appropriate strategies to deliver Health’
Customer objectives.
• The proposed model is designed to provide for :-
  ➢ Leveraged buying power;
  ➢ Maximum transaction efficiency;
  ➢ A sustainable and competitive supply base.
  ➢ Optimised logistics and inventory arrangements.
• The delivery of health procurement initiatives included in the agreed Annual Service
Plan / Sourcing Programme will have primacy in the allocation of available sourcing
resources.
• Adequate support will be provided for local requirements while taking advantage of
centralised buying power. The single approach envisaged will provide for spot buying
and the strategy will ensure no loss of service locally.
• The approach proposed is designed to integrate and leverage local expertise to ensure
the most effective use of available skills and experience;
• A central repository will be maintained of all Health sector and OGP contracts and
schedules enabling proactive planning and management of the Health Sourcing
Programme.
• Health customers and budget holders will have access to an Assisted Sourcing (AS)
shared service which will become the first point of call for information on potential
suppliers and product prices etc. The AS service will help Customers and Budget
Holders to improve sourcing efficiency, compliance and value for money.
• The approach proposed is designed to take account of the capacity of Health Sector
organisations to absorb change.
• The changes proposed will be implemented in realistic and sustainable stages;

Financial Levelling
In the course of implementing successful national contracts and frameworks, it is possible
that in some exceptional cases prices achieved may be less favourable than those currently
being paid by some individual agencies. This is an inevitable consequence of strategic
sourcing where aggregation of procurement for large numbers of agencies is involved. On a
national basis the benefits in price, quality and service will outweigh the losses which some
individual agencies may suffer. However, it is acknowledged that in these exceptional cases
the increased process could have a significant budgetary impact on the individual agencies
concerned.
It is therefore proposed to review this issue with a view to putting in place an appropriate system to recognise the budgetary impact on individual agencies of the adoption of national contract prices. This will need the involvement and support from corporate finance within Health.
**Overall Governance Framework**

HBS Procurement operates under Health Business Services (HBS) governance, reporting directly to the national director of HBS.

The Health sector will have involvement at government level in representing the overall requirements for procurement. This will include representation at steering group level and executive level within the overall public sector approach as set in the diagram below.

Procurement personnel in HBS and in voluntary bodies will continue to report through their current governance structures while working as part of a common procurement approach in agreeing and executing a single national procurement (sourcing) plan for Health.

The OGP Executive will provide sourcing services to HBS Procurement for non-health-led categories and HBS Procurement will provide sourcing services for health related categories. These relationships will be governed by a memorandum of understanding which is currently being developed.

The HBS Procurement Steering Group will comprise Executive level representatives of the HSE, voluntary bodies, the Department of Health, major customers / customer groups and other key stakeholders. Its key functions will be to support the Head of HBS Procurement in:-

- Determining overall sourcing and logistics strategies and plans;
- Managing compliance with national contracts; and
- Monitoring the performance of the Health Sector in achieving its procurement objectives.

The governance framework is illustrated at a high level in the diagram below.
Organisation Structure, Roles and Responsibilities

The procurement service for the health sector will be organised and delivered through the organisation structure illustrated below.

It is proposed that there will be an Assistant National Director responsible for each of the areas outlined in the diagram above:

- Sourcing and Contracting
- Logistics and Inventory Management
- Procurement Business Support

The functions under each Assistant National Director are outlined below. Detailed roles and responsibilities will be finalised during the implementation phase.

**Sourcing and Contracting**

Reporting to the Head of Procurement, the **Assistant National Director - Sourcing and Contracting** will be responsible for meeting the procurement requirements of all health agencies in relation to sourcing and contracting. This will include:

- The development of a multi-annual Sourcing Programme for Health Agencies.
- The development of Annual Service Plans for HBS Procurement, the OGP, Other Sectors and individual Health Agencies to meet the Health Sourcing Programme requirements.
- Implementing a system of monitoring and measuring progress against the Annual Service Plan / overall Sourcing Programme.
- The identification and execution of strategies and corrective actions to meet important national and local requirements that cannot be met within the above collective Annual Service Plan.

Sourcing and Contracting activities will be organised around the following four major Category Groups (portfolios), each led by an **Assistant National Head, Sourcing and Contracting**:
**Major Category Group**

| Medical Surgical and Pharmaceutical (MSP)                      | • Community Funded Schemes  
|                                                               | • Medical Devices & Care Products  
|                                                               | • Pharma  
| Medical & Diagnostic Equipment (MDE)                        | • PPI Surgical Devices & Implants  
|                                                               | • Medical Device Equipment and Diagnostics  
|                                                               | • Capital Project Equipping Services  
| Medical Professional Services (MPS)                        | • eHealth  
|                                                               | • Health HR and Professional services  
|                                                               | • External Health Services  
| Non-Health Categories (NHC) (Health specific / strategic requirements that fall within the expenditure categories that are generally targeted to be led by the OGP / Other Sectors) | • Sustainability in Health  
|                                                               | • Assisted Sourcing Service / Spot Buy  
|                                                               | • Transition to OGP / NDC  

For Health categories of non-pay expenditure (MSP, MDE and MPS as described above) the relevant Assistant National Head will be responsible for planning and the development of sourcing strategy and category management.

For the Non Health Categories (NHC), the Assistant National Head will lead specific sourcing initiatives that are important or strategic to Health and will also act in a coordinating role to ensure that Health sector requirements are effectively incorporated in category strategies and plans developed by OGP / other Sectors.

Under the relevant Assistant Head of Sourcing, each **Category Group** will comprise National Category Specialists and support teams who will have well developed category and market knowledge coupled with excellent sourcing and contracting skills. The HBS Procurement Category Groups will coordinate the combined sourcing resources in HBS and the Healthcare Agencies. Procurement / Sourcing staff working in Healthcare Agencies will work collaboratively as part of the HBS Procurement Team, under the direction of the Head of HBS Procurement, to deliver an integrated sourcing and logistics service.

A complement of 73 procurement specialists coupled with 22 administrative support personnel has been set by DPER for the 3 health specific categories. No specific resource allocation has yet been agreed for the NHC categories. There will be a need for additional resources to support the substantial NHC requirements for an interim period pending transition of responsibility for these categories to the OGP / Other Sectors.

**Procurement Coordinators** will be designated for Healthcare Agencies. The exact number of Procurement Coordinators will depend on resource availability and on the pending restructuring plans for the health sector. They will report to the relevant Healthcare Agency CEO and will operate under the direction of the Head of HBS Procurement.

Procurement Coordinators will be responsible for;

- The coordination of Logistics and sourcing /contracting for the relevant Healthcare Agency as well as the development of the annual/multi annual procurement plan in
consultation and agreement with their Healthcare Agency senior management and the Assistant National Director - Sourcing and Contracting.

- Communicating the procurement plan within their Healthcare Agency and feeding back appropriately into national strategy / plan development to ensure best fit.
- Co-ordination of the Healthcare Agency’s participation in the execution and delivery of the plan including;
  
  - The availability of specialist Clinical and technical Resources to participate on Product Evaluation Groups (PEG).
  - The collation of intelligence on products, usage, prices and key stakeholders etc. for use in sourcing strategies and price benchmarking exercises.
  - The establishment of Healthcare Agency New Product Review Groups to manage the Healthcare Agency catalogue (Formulary) and coordinate the implementation of contracts for (1) medical products and (2) OGP contracts for non-medical products
  - It is acknowledged that from time to time there is a requirement for urgent requests which will be communicated through the co-ordinator linking to the overall national plan.

- Working in and assigning Sourcing staff to Category Councils to prioritise and plan the delivery of category strategies under the Health Sector Sourcing Programme / Annual Procurement Plan.

- Management of their local Healthcare Agency Procurement Team whose activities will include:-

  - Executing category strategy and sourcing (tenders, frameworks, mini-competitions etc) for assigned categories on the Health Sourcing Programme / Annual Procurement Plan;
  - Contract implementation and upload onto the Healthcare Agency’s Financial and Procurement systems;
  - Contract management;
  - Spot buying (i.e. for unplanned local requirements above the eTenders threshold which are not included and cannot be facilitated in the Health Sourcing Programme / Annual Procurement Plan;
  - Below threshold sourcing (i.e. non eTenders);
  - Purchase to Pay processing.

- Leading national sourcing strategies under the governance of the respective Assistant Head of Sourcing and Contracting for categories where the Healthcare Agency is an established centre of excellence or has a specific interest.

Sourcing teams will continue be located both nationally and locally within HBS Procurement and the Healthcare Agencies. Local resources will be integral parts of the national sourcing resource pool and will participate in the implementation of the single Health Sourcing Programme / Annual Procurement Plan. It is anticipated that, as progress is made on executing national category strategies and implementing contracts, the requirements for unplanned local sourcing will gradually reduce, allowing local resources to focus more on other aspects of local customer service and quality improvement (e.g. Point of Use support), and on supporting national procurement initiatives.
**Category Councils**

The Health Sector will operate the following national Category Councils initially. (note:- Category and constituent sub-category titles are working titles which may change during operation as appropriate).

1) Community Funded Schemes / Medical Care Products  
2) Medical Devices (Surgical and Implants)  
3) Pharma  
4) Medical Device Equipment  
5) Diagnostics  
6) eHealth  
7) Health Professional & HR Services

The national Category Councils will be responsible for planning prioritising, organising and measuring the execution of the sourcing plans in the assigned expenditure category. The scope of the sourcing services to be delivered and agreed will be based on the Health Sector procurement plan combining the agreed annual sourcing plans for each agency in this area of expenditure. These plans will be reviewed and revised periodically as required. The plans will take account of the available resource capacity both for the sourcing initiative and the customer preparation and implementation requirements. The Category Council will be led by the respective Assistant Head of Sourcing & Contracting and will also include representation from other areas of the health service (e.g.: clinical pathways) where relevant.

The Category Council will be commissioned by the Health Procurement Steering Group and will comprise of senior management nominees from relevant Healthcare Agencies. Sub-category councils will operate as required to best address national and hospital Clinical Directorate level initiatives.

The Category Council will be chaired by the relevant Assistant Head, Sourcing and Contracting for that Category. A Category Specialist will be nominated by HBS Procurement. His / her role will be to ensure that the views and requirements of the relevant business / clinical specialists are appropriately and adequately represented in the work of the Category Council and Sourcing Teams.

In general, each Category Council will require appropriate cross functional expertise for the subject matter e.g. representatives of;

- Relevant National Directorates,  
- Customer Business Specialist Leads as appropriate;

- Clinical  
- Clinical Engineering  
- Technical  
- Business Management  
- Financial  
- ICT  
- Pharmacy

- Finance  
- National Head of Clinical Engineering (as appropriate)  
- Procurement
• Other Government Agencies as appropriate

The sourcing plans from all Category Councils will be incorporated into a single national multi-annual Procurement Plan for the Health Sector, which will be approved by the Head of HBS Procurement in consultation with the Health Procurement Steering Group.

The execution and delivery of these plans will be through planned sourcing projects /competitive tender processes and will be led by HBS Procurement Sourcing Teams incorporating central and local category specialists supported by business / clinical specialists as appropriate. In some cases, initiatives will be led by individual Healthcare Agencies deemed to be the Centre of Excellence for a specific clinical specialism or procurement category.

The Health Category Councils will work with the National Clinical Directorates, Hospital and Community based Clinical Directorates/Clinicians, maximizing collaboration across the public health service and other Government Departments and Agencies as appropriate, to procure compliant contractual arrangements and develop strategic supplier partnerships to ensure affordability and optimum access of patients to innovative medical devices, medical technologies and medical professional services.

In general, each sourcing project/competitive tender process will require appropriate cross functional expertise for the subject matter. The Category Council will be central to quantifying the appropriate cross functional expertise required for Sourcing projects.

The outline structure for the Sourcing and Contracting function is illustrated in the diagram below, indicating the relationship with the individual Healthcare Agencies as well as the role of the Category Councils and Sourcing Teams.

An illustration of how Category Councils will operate is provided in the example at Appendix 1.

The following diagram provides an overview of the relationship between the healthcare agency and the HBS Procurement division. It illustrates how the Healthcare Agency Procurement Team, while continuing to report to the agency’s management and governance
arrangements, will work as part of a single integrated approach for health procurement, and how the Agency’s business and clinical specialists will participate in the work of the Category Councils and Sourcing Teams.

**Logistics and Inventory Management**

The HSE Assistant National Director, Logistics and Inventory Management will work closely with the Assistant National Director, Sourcing and Contracting in the development of category strategies to ensure that sourcing decisions appropriately reflect logistical requirements, opportunities and constraints for both health and non-health led categories. The draw down from contracts and the placing of purchase orders is outside the scope of this plan. However it is envisaged that purchase orders will be placed at an agency level in accordance with the local governance structures and arrangements.

The following is an overview of recent developments in the HSE Logistics service:-

- A Logistics Review was carried out in 2010 (more than 90 staff interviews and workshops held 2008-2009). A Review Report was completed (PwC) in April 2010 (circulated widely).
- LRC Agreement was reached in July 2010 (agreed that new Logistics Model to be implemented by Q4 2014).
- A National Implementation Group Established.
- The new operating model involved consolidation of fragmented stores infrastructure into a National Distribution Centre (NDC) distributing to 9 Hubs and an increased level of management of stock at point of use (POU)
- It also involved implementation of appropriate supply channels and enabling information systems and infrastructure.
The key reasons for implementing the National Distribution Centre were:

- It is a shared service which is a key element of: Government policy / public reform programme, and the HSE Reform Programme – Future Health;
- It is supported by a strong business case (€9m saving p.a);
- It delivers on LRC and Public Service Agreements (e.g. HRA commits to maximising efficiency and greatly increasing productivity and flexibility around grade demarcations);
- It is supported by Minister for Health, Director General HSE and leadership team of the HSE
- It releases clinical resources to frontline patient care;
- It resolves long standing deficits regarding ICT / Financial Management;
- It provides a platform for future development (systems and people);
- It gives local suppliers / SME access to national distribution.

To date, significant progress has been made in Logistics:

- Significant savings have been achieved
- Stores Consolidation (18 closures to date): 2008 to date
- New Technology (Voice technology – national procurement award winner; NDC SAP);
- Establishment of Hubs (8 of 9 in place, planning for remaining hub at advanced stage);
- 11% reduction in Procurement staff : 2009 to date.

**Procurement Business Support**

The Assistant National Director - Procurement Business Support will be responsible for the effective and efficient support of procurement operations on a day to day basis and the safe transition from the current ways of working to the new ways of working. Core areas of responsibility will include:

- Management and coordination of customer service in collaboration with the overall HBS customer service team;
- Planning, implementation and management of IT systems to support procurement operations, and acting as the representatives of HBS Procurement in the development of national systems;
- Planning, implementation and support of classification and coding systems;
- Providing business and market intelligence support for Sourcing and Logistics initiatives;
- Management of the transition to the new health procurement operating model;
- Promoting and overseeing compliance with procurement legislation and regulations across the sector;
- Promoting and overseeing compliance with national contracts and frameworks across the sector.

A more detailed description of the functions involved in Procurement Business Support will be developed during the implementation phase.
**Programme Management Office (PMO)**

The Programme Manager’s primary role will be to support the Head of HBS Procurement and the Procurement Management Team in ensuring the cost effective and timely implementation of projects and initiatives required to deliver an effective procurement service for the health sector. The PMO will link with the strategic reform unit of the HSE as required. In general, the role will be a co-ordination and support role for initiatives, many of which may be delivered by others in the procurement Function. The specific areas of responsibility include:-

- Delivery of management information and performance metrics for Procurement;
- Coordinating communications and change management initiatives;
- Coordinating responses to requests for information from stakeholders including HSE management, DPER /OGP, DOH, Internal Audit, C&AG and Healthcare Agencies;
- Coordinating responses to FOI requests, PQs and other external requests for information;
- Maintenance and updating of information repositories and websites (both internal and external) related to all aspects of procurement-related information including contracts, frameworks, suppliers, product and service catalogues, legislation and regulations, policies / procedures, service level agreements, and customers;
- Development and implementation of procurement policies, procedures and controls;
- Coordinating the development and delivery of appropriate training for Procurement management and staff;
- Coordinating Procurement participation in marketing and communications events;
- Providing regular reports to the Head of HBS Procurement to support the monitoring of performance against agreed Key Performance Indicators.
- Acting as a Project Management Office (PMO) to monitor and support Procurement projects.
Overview of Proposed Processes and Ways of Working

The following provides an overview of how it is envisaged that HBS Procurement will serve the sourcing needs of its customers and the role played by each participant in the process. More detailed process flows and responsibility matrices will be developed during implementation.

Sourcing Planning

- As part of the annual procurement plan, there will be a single national plan for sourcing in the Health Sector, which incorporates both health categories and OGP plans for non-health categories. This will be a mandatory plan approved by the Head of HBS Procurement in consultation with Health Procurement Steering Group which will commit to ensuring full compliance with national contracts;

- There will be an integrated governance arrangement for the health sector supporting that plan (as shown in diagram above), incorporating Health Business Services (HBS), Hospital Groups, ISAs, s/39s etc.;

- The plan and related governance arrangement will be designed to comply with the legal requirements of the HSE and voluntary bodies and the Government decision on a Single Voice for Health Procurement / Sourcing;

- Long term (3 year) medium term (1 year) and short term (Quarterly) national sourcing plans for healthcare categories will be developed by HBS Procurement in consultation with customers and other stakeholders represented on the Health Procurement Steering Group. These plans will be merged with similar plans produced by OGP and other Sectors for the non-Healthcare categories to form integrated national sourcing plans for the Health Sector. These will be reviewed and revised periodically as required. The plans will take account of the available internal resource capacity, supplemented where required by external resources;

- To ensure that healthcare agencies’ requirements are taken into consideration in the integrated national planning process, assigned Procurement Coordinators for each Healthcare Agency will identify all existing contracts and define the Agency’s requirements for the long (3 year) medium (1 year) and short term (Quarter) for sourcing of healthcare and non-healthcare categories for their respective Healthcare Agencies.

- The lead for each category, in consultation with the Procurement Coordinator, will review the Agency’s draft requirements to determine:
  - The requirements that can be met by existing national contracts / frameworks;
  - The requirements that can be met by national Health Sector and OGP plans for national/multi-region sourcing initiatives;
  - The requirements which could form the basis for new national/multi-region sourcing initiatives;
  - Requirements which could represent opportunities for the specific Healthcare Agency to lead a national initiative as a Centre of Excellence in a particular clinical area.
• Once the overall requirements of the Agency have been reviewed and, where appropriate, their needs incorporated into the integrated national sourcing plans for HBS Procurement and OGP, any other high priority Agency requirements which cannot be met through national initiatives will be included in the work programme for the Local Procurement Team. The Agency’s local work programme will form an integral part of the national sourcing plans, and must take account of the requirements for local sourcing specialists to participate in national/multi-region sourcing initiatives.

• The plans will be reviewed and revised periodically as needs dictate.

• Any issues in arriving at an agreed plan for a particular Agency will be escalated to the Head of HBS Procurement who will consult as necessary with relevant HSE National Director for the Healthcare area concerned and seek to resolve the issues to the satisfaction of the Customer (accountable officer) in their respective Healthcare Agency;

• In the case of Non Healthcare Categories, the Assistant National Director, Sourcing & Contracting will identify and discuss the overall Health sourcing requirements in these categories with the OGP. For an interim period it may be necessary for health to continue to complete contracts within these categories until such time as OGP are fully operational.

• The overall national sourcing plan will be signed off by the Head of HBS Procurement, in consultation with the Health Procurement Steering Group, and thereafter it will become the mandatory basis for all health sourcing activities;

**Implementation of Sourcing Plans**

• Sourcing projects included in the approved plans will be implemented by HBS Procurement Sourcing Teams and/or voluntary leads which will incorporate central and local category specialists and business/clinical specialists as appropriate;

• These planned sourcing projects will be initiated with the HBS Procurement Programme Management Office based on the project proposal included in the approved plan.

• For unplanned sourcing projects, a Procurement Service Request (PSR) will be submitted by a Healthcare Agency’s Procurement Coordinator to the Assistant National Director, Sourcing & Contracting for inclusion in the sourcing plan. The respective Assistant Head of Sourcing and Contracting for the relevant category will then determine the strategy and priority as well as the resources to be assigned. The timeframes for response to the customer on PSRs, depending on the urgency of the request will be set out in a Service Level Agreement (SLA) (see below).

• The Sourcing Teams will be established by the Assistant Head of Sourcing and Contracting, in conjunction with the Category Council, based on the requirements and priorities in the sourcing plan. Clinical and technical expertise will be sought from relevant health agencies and where contracts are of significant financial interest to an agency appropriate participation will be facilitated for agency financial expertise.

• The Sourcing Team then will determine the sourcing approach and will implement the relevant sourcing/tender process to procure the required products/services, including the following key activities:
- Consultation with relevant customers and end users on the specification of requirements
- Internal and external review to determine appropriate sourcing strategy
- Execution of the sourcing strategy / tender process
- Contract Approval Request including Attestation of Compliance with all legal and process requirements.
- Tender award and Contract finalisation

- Health Business Services acting on behalf of all Healthcare Agencies will sign an overarching contract (unless otherwise legally advised) for tenders/contracts awarded on behalf of all health agencies.

- The work of the Healthcare Agency local sourcing teams will involve:
  - Ensuring compliance with the governance requirements of their agency;
  - Identifying and arranging the participation of key influencers to be involved in the decision making process / Product Evaluation Groups (PEG).
  - Executing category strategy and sourcing (tenders, frameworks, mini-competitions etc) for assigned categories on the Health Sourcing Programme / Annual Procurement Plan.
  - Contract implementation and upload onto Healthcare Agency Financial and Procurement systems.
  - Contract management
  - Spot buying (i.e. for local requirements above the eTenders threshold which are not included and cannot be facilitated in the Health Sourcing Programme / Annual Procurement Plan).
  - Below threshold sourcing (i.e. non eTenders)
  - Purchase to Pay processing
  - Communication and management of the implementation of all new contracts (National and Local).

- The Healthcare Agency sourcing team will provide management information, business intelligence and market intelligence as required by HBS Procurement Management to support:
  - Health Reporting Requirements;
  - National Healthcare Procurement performance management;
  - Category strategies and sourcing initiatives (health and non-health categories) conducted nationally or regionally.

More detailed roles, responsibilities, processes and procedures will be developed during the course of the implementation project.

**Service Level Agreements**

There are two Service Level Agreement (SLA) documents envisaged in the overall governance structure of health procurement:

1. An MOU / SLA between Health Business Service and OGP will set out the respective roles, responsibilities and service level targets committed. The SLA will outline:
- HBS Procurement commitments to deliver sourcing services to non-healthcare agencies for categories managed by HBS Procurement.
- OGP commitments to deliver sourcing and business support services to healthcare agencies for categories managed by OGP and other sectors for non-health specific areas;

2. An SLA between HBS Procurement and its Healthcare Agency customers setting the respective roles, responsibilities and service level targets committed. This is likely to be a single “generic” SLA which could be customised where required for specific or unique customer circumstances.

It is proposed that in both cases above, the SLAs will be in the form of Memoranda of Understanding (MOU) rather than legally binding contracts. However, the exact form will be determined during the implementation programme.
3. Systems and Management Information

There is a significant requirement for IT systems to support the implementation of the new operating model. At present, very few systems are available to support sourcing activities and there is a significant degree of manual processing involved. With the increasing prevalence of national contracts, new or enhanced IT systems will be essential in order to support:

- Integrated sourcing programme management and project management system.
- Monitoring and tracking of procurement projects in sourcing and logistics
- Standard category headings- assignment and reporting by category teams. Reporting to agency and steering group
- External KPI and CRM system
- Electronic tendering; Electronic tender analysis system to record and report on findings and outcomes
- External KPI and CRM system, Internal procurement KPI system
- Electronic ordering and drawdown;
- Catalogue management; Interfaced with customers purchase order processing systems and to suppliers catalogues
- Management Information and Business Intelligence; Expenditure aggregation, purchasing activity analysis and planning system
- Knowledge management / sharing through information repositories / databases; Online document managed and web working system to support multiple agency remote location working. Procurement training and development system- including how to use standard suites of documents. Category expert to include training and Specification system
- Integration of national procurement systems with national and local finance systems.

However, it is recognised that significant healthcare-specific implementation activity will be required. (e.g. a new financial and procurement system as envisaged under the Financial Reform programme).

Management Information and Business Intelligence
Management information to support performance management for the procurement function and to meet Health reporting requirements will be the provided by the Programme Management Office, utilising systems and tools provided by the Business Support team. Savings will be reported using the OGP template and HBS Procurement will align with the chosen approach.

Business Intelligence and analytics to support category management and sourcing initiatives will be produced by the Procurement Operations team at the request of Category Managers.

4. Implementation Plan

Implementation of new operating model for health procurement
Appendix 2 contains a high level implementation plan for the transition to the new operating model. There are two dimensions to the plan and these are set out separately in the plan:

- The tasks, deliverables and milestones involved in putting the new model in place;
The transition plans for divesting of non-health categories to OGP and other sectors, and taking on responsibility for health-led categories used by other sectors. This is discussed further below.

The timelines have been designed to take account of the capacity of Health Sector organisations to absorb the significant change involved, while acknowledging the need to accelerate the achievement of savings in the sector to meet Government targets. Consequently, the transition of categories to / from OGP is planned in realistic and sustainable stages.

It should be pointed that that decisions taken, or yet to be taken by OGP may impact on the timelines for HBS Procurement.

Transition of Category Management Responsibilities
The Government' Public Sector Procurement Reform Programme has led to the establishment of the Office of Government Procurement (OGP) and 4 Sector Sourcing functions (including Health), which are collectively responsible for Sourcing all categories of expenditure across Government Departments and Agencies. This new Government Procurement Model constitutes a radical change targeted at further professionalising the Procurement function, establishing international leading procurement practices underpinned by a strong governance model, leading to improved performance and outcomes.

The OGP is to assume responsibility for Sourcing and Contracting for the common expenditure categories. Each of the four Sectors that have retained a Sourcing and Contracts function will procure their sector specific categories on their own behalf and also on behalf of all Government Department and Agencies utilising national Category Councils which are representative of key customers. The breakdown of responsibility for categories is set out in the table below;

<table>
<thead>
<tr>
<th>OGP Led Categories</th>
<th>Sector Led Categories</th>
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<tbody>
<tr>
<td>Professional Services</td>
<td>Local Government</td>
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<tr>
<td>Facilities Management and</td>
<td>- Minor Building Works and Civil</td>
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<tr>
<td>Maintenance</td>
<td>- Plant Hire</td>
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<tr>
<td>Utilities</td>
<td>- Medical Professional Services</td>
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<tr>
<td>ICT and Office Equipment</td>
<td>- Medical and Diagnostics Equipment</td>
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<tr>
<td>Marketing, Print and</td>
<td>- Medicinal and Pharmaceutical Supplies</td>
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<tr>
<td>Stationery</td>
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<td>Travel and HR Services</td>
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<td>Fleet and Plant</td>
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<td>Managed Services</td>
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<td>- Defence and Security</td>
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<td>- Education</td>
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<td>- Veterinary and Agriculture</td>
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<td></td>
<td>- Laboratory Equipment</td>
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</tbody>
</table>

Savings targets of €500m over three years (€187m for 2015) have been set by government. Health’s portion of this target is likely to be set (proportionally) at €87m for 2015 (€235m 2015 - 2017) as Health represents approximately 47% of overall public expenditure. It is imperative therefore that the full national Sourcing and Contracting resources available under the new government procurement model (HBS together with Healthcare Agencies acting as ‘one voice’ for Health and the OGP / other Sectors) are aligned and are fully harnessed to maximise savings potential / reduce the impact on Health service delivery. The
HSE has expressed the view that the targets set by government are not achievable in 2015 in light of the savings already achieved in health and pressures on health procurement to meet the expanding service needs of the HSE and voluntary bodies. There is a concern that any excess reduction in budgets attributable to procurement targets will in effect give rise to unachievable financial targets in the health sector. The HSE is committed to optimising savings in 2015 and beyond in co-operation with the OGP.

The key milestones identified for transition of Health into the new Government Procurement Model are as follows;

1. Confirm ‘One Voice’ Sourcing Function and Interim Operating Model for Health / identify sourcing and contracting officer in each major agency/customer.
2. Release staff recruited from Health to OGP
3. Undertake gap analysis of Health Category Sourcing Roles & Realign / Recruit to fill vacant roles - Initial team formations to get ready to deliver work in progress 2014 and 2015 Sourcing Plan. Induct staff into new OGP national standard business processes/tools and complete training. Identify resource gap
4. Build complete view of Health Sector Sourcing WIP / Pipeline for all Categories and assign to Sourcing Teams.
5. Build single Health Sector Sourcing Programme 2015 – 2018 incorporating all agency contracts and sourcing work in progress.
6. Finalise MOU & SLA with OGP / Sectors acting on behalf of Health
7. Complete gap / impact analysis of Non Medical Sourcing Projects unable to transition to OGP

The Transition Plan in Appendix 3 provides a more detailed breakdown of these milestones.

It is envisaged that the collaborative model for ‘One Voice’ for Health Sourcing and Contracting will be reviewed periodically to ensure the objectives and savings programme targets are delivered by the Health Service. HBS Procurement will have a critical dependency on the timely transitioning of non-healthcare categories to OGP and other Departments in order to be in a position to achieve the savings targets.
5. Change Management and Communications

The implementation of an integrated organisation for health procurement will represent a significant change programme impacting procurement management and staff and our customers across the health sector. It is essential for the success of the implementation that a proactive change management and communications process be an integral part of the implementation programme.

Critical elements of change management include:-

- Building readiness for the change
- Aligning people and process to the change
- Building capability to ensure the change sticks,
- Communicating and engaging with stakeholders about the change.

One of the early tasks that will need to be undertaken is a Stakeholder Analysis. This will help develop an understanding of:-

- The key stakeholders affected by the change
- The likely benefits and other impacts of the change on those stakeholders, and the fears and concerns which could emerge
- Their readiness for change, including cultural enablers and barriers
- The levers which could be used to support the change
- The skills and capabilities needed to perform the new roles

This analysis will enable the preparation of a strategy and plans for change management and communications.

The communication plans will outline:

- Why we are communicating;
- The specific target audience;
- Key messaging and themes;
- Communication channels.

The communications plan will ensure that all programme communications provide clear and consistent messages.

Detailed plans for Change Management and Communications will be developed in the initial stages of the overall implementation programme.
6. Risks, Assumptions and Dependencies

There are many key risks, assumptions and dependencies underlying the One Voice Health Procurement plan. A risk register will be maintained to record risk and put additional controls in place where feasible to address risks as they arise. Some of the bigger risks facing procurement are set out below-

- **Buy-in and support of the Healthcare Agency CEOs.** Because of the absence of direct reporting relationships, it will be challenging to ensure that all agencies support the national initiative and comply with national contracts, in spite of the strong government mandate. The Steering Group structure is designed to minimise this risk.

- **Buy-in of Clinicians.** Clinicians have a key role in health procurement and can heavily influence sourcing decisions. Clinical preference must be dealt with effectively through involvement in category councils and sourcing teams as set out in the plan. Nevertheless, it is acknowledged that it will be challenging to achieve the level of buy-in required to ensure compliance with national contracts.

- **Resources.** The sourcing resources approved to date are designed to meet the requirements for sourcing the three health-led categories only. It is assumed that sufficient additional resources will be made available to address:-
  - Local requirements for Health-led categories during the transition period until they are fully addressed by national contracts;
  - Non-health categories in the period until they have fully transitioned to OGP
  - Local sourcing needs (e.g. below threshold / spot purchases).

Current Sourcing resource levels are significantly below the levels proposed by the DPER and it is essential that this situation is resolved through recruitment, external support or allocation and training / upskilling of non-procurement resources as soon as possible if savings targets are to be achieved, particularly in the light of the ongoing moratorium on recruitment.

- **Liability and Indemnity.** Because different legal and statutory entities are operating together in a collaborative process, there is a risk that organisations may be taking on liabilities on behalf of others, and the relevant executives and boards will want to ensure that they are indemnified against these liabilities. This is a complex area which must be addressed if the collaborative approach is to succeed. The issue is exacerbated also by the fundamental changes taking place and planned in the structure of the health sector;

- **OGP MOU and SLA.** MOU and SLA will be agreed between HBS Procurement and OGP, and that both parties will fulfil their obligations in this regard.

- **Transition.** It is assumed that a viable transition plan for the take-on of non-health categories by OGP will be agreed and that the take-on will proceed on schedule. Any
deviation from the plan would impact HBS Procurement’s ability to meet its objectives and targets.

- **Systems.** The health sector has a myriad of financial systems, and is currently not well served by procurement systems or management information. The successful implementation of the HBS Procurement plan is heavily dependent on the implementation of new systems to enable and ensure compliance with national contracts. There is a significant risk that it will not be feasible to implement the required systems in the timescales needed.

- **Change Management.** As outlined above, due to the level of change involved, proactive communications and change management will be an essential prerequisite for the plans to succeed. It is essential the communication process is managed centrally.

- **Staff Consultation and training.** A key success factor will be the need to consult proactively with staff on the changes involved as early as possible and on an ongoing basis in order to ensure that any issues and identified and addressed early and that potential IR issues are effectively managed. This plan will require some training for staff to support its implementation.
Appendix 1 - Examples of Category Council Governance Model

a) Medical Devices Category Council

The Medical Devices Category Council will be commissioned by the Health Procurement Steering Group and will comprise of senior management nominees from each Hospital Group, Primary Care, Finance, Clinical Engineering and relevant National Clinical Directorates etc. The Medical Devices Category Council will operate sub-category councils as required to best address national and hospital Clinical Directorate level initiatives.

Membership of the Category Council for Medical Devices will include (where appropriate) the following Customer and functional representatives;

- National Clinical Directorates
- Hospital Groups*
- Primary Care / ISA Regional Areas*
- National Specialist Groups (e.g. Infection Control, PHEC)
- National Head of Clinical Engineering
- Finance
- Procurement - Category Specialists
- Assistant National Head of Logistics
- HBS Customer Relationship Management
- National Head of Sourcing & Contracts (may attend meetings)
- Healthcare Agency Procurement Coordinator

* Representatives may be Clinical, Technical, Finance, Management, Pharmacy etc as is deemed appropriate

The Category Council for Medical Devices will agree a multi-annual Sourcing Plan for Medical Device Categories and will prioritise this taking account of the available resource capacity both for the sourcing initiatives and the customer preparation and implementation requirements e.g. national Standards and SOPs may need to be agreed and implemented etc.

The Category Council members will ensure availability of expertise in the respective clinical disciplines and technical functions to resource Sourcing Teams for the competitive tender processes prioritised in the Sourcing Plan.

The Sourcing Team will be responsible for the evaluation (HTA) of all products proposed in the Tender Competitions in the respective category. Products selected in these processes will be included in the contracts / National Formulary for the respective category and will be catalogued onto the SAP ERP Systems.

The Category Council / Sourcing Team will retain an ongoing responsibility for HTA of any new products proposed in the respective category during the lifetime of the contract e.g. substitute products, new products coming on the market, innovative solutions etc. Assessment of these new products will be coordinated by the respective Procurement Category Specialist in the most efficient and economic manner.
Sourcing Teams will be refreshed with replacement clinical and/or technical experts periodically. Succession will be on a planned basis and the maximum tenure on a Sourcing Team- Product Evaluation Group (PEG) will be determined at a later date.

Following the completion of the initial sourcing and contracting process the Sourcing Team Product Evaluation Group members may be required to meet once or twice annually to review any new products and innovations in their category.

**b) Community Funded Schemes Category Council**

The Director of Primary Care has commissioned a review of the Community Funded Schemes (CFS) and a Project Manager has been appointed to lead this process. This is an excellent national initiative is reviewing current standards and prescribing practices leading to standard national SOPs. In conjunction with Procurement it also reviewing product classifications and specifications potentially leading to a single national catalogue for each of the expenditure categories involved. This is effectively establishing a quality management system (QMS) for establishing and maintaining a catalogue for the CFS. Such a national catalogue will provide an excellent platform for securing improved value enabling increased access of patients to the most innovative products and technologies.

The expenditure categories involved are;

- Aids and Appliances
- Orthotics, Prosthetics and Specialised Footwear
- Incontinence Care, Urinary, Ostomy and Bowel Care
- Respiratory Therapy
- Drugs and Medications
- Nutrition
- Bandages and Dressings

The products and services involved in these categories are typically used in Hospitals and Primary Care however some are also provided to patients on community funded schemes via Pharmacies which are reimbursed by PCRS. It is important therefore that the most appropriate and cost effective supply channel is chosen to provide prescribed products to patients and the review will likely identify some savings opportunities in this area.

Aids and Appliances Recycling would also come under the remit of this Category Council.

Membership of the Category Council for CFS will include the following Customer and functional representatives;

- Primary Care Project Manager (Chair and liaison with Primary Care Directorate)
- Assistant Head of Sourcing & Contracts
- PCRS Representatives*
- Primary Care Regional Representatives*
- National Head of Clinical Engineering
- Finance
- Category Specialists
- Assistant National Head of Logistics
- HBS Customer Relationship Management
- National Head of Sourcing & Contracts (may attend meetings)
- Hospital/agency Procurement Coordinator
* Representatives may be Clinical, Technical, Finance, Management, Pharmacy etc as is deemed appropriate

The Category Council for CFS will agree a multi-annual Sourcing Plan for CFS Categories and will prioritise this taking account of the available resource capacity both for the sourcing initiatives and the customer preparation and implementation requirements e.g. national Standards and SOPs may need to be agreed and implemented etc.

The Category Council members will ensure availability of expertise in the respective clinical disciplines and technical functions to enable completion of the CFS quality management system and Sourcing Teams for the competitive tender processes prioritised in the Sourcing Plan.

The Sourcing Team will be responsible for the evaluation (HTA) of all products proposed in the Tender Competitions and also all products submitted for inclusion in the PCRS Reimbursement List in the respective category. Products selected in these processes will be included in the National Formulary for the respective category and will be catalogued onto the SAP ERP Systems.

The Sourcing Team will retain an ongoing responsibility for HTA of any new products proposed in the respective category during the lifetime of the contract e.g. substitute products, new products coming on the market, innovative solutions etc. Assessment of these new products will be coordinated by the respective Procurement Category Specialist in the most efficient and economic manner.

The Sourcing Team will be refreshed with replacement clinical and/or technical experts periodically. Succession will be on a planned basis and the maximum tenure on a Sourcing Team- Product Evaluation Group (PEG) will be determined at a later date.

The CFS Category Council will require multi-disciplinary expert inputs throughout the development of the QMS and during the Procurement / Tender processes. The respective multi-disciplinary expert inputs required at each stage in the QMS/Procurement process for each category are set in Table 2:-

**Table 2 Multi-Disciplinary Expert Input at each stage of QMS/Procurement Process**

<table>
<thead>
<tr>
<th>Quality Management System</th>
<th>Aids &amp; Appliances</th>
<th>Prosthetics, Orthotics and Specialist Footwear</th>
<th>Incontinence Wear, Urology, Ostomy and Bowel Care</th>
<th>Respiratory Therapy</th>
<th>Drugs and Medications</th>
<th>Nutrition</th>
<th>Dressings and Bandages</th>
</tr>
</thead>
</table>

Key

1 Occupational Therapist 6 Nutrition 11 Volunteers 16 Procurement Logistics
2 Physiotherapist 7 Engineering 12 Sourcing 17 Podiatry
3 Nurse 8 Consultant 13 HQA 18 Advocacy
4 Speech Language Therapist 9 Area Medical Officer 14 Procurement Catalogue 19 Finance
5 Assistive Technologies 10 GP 15 Orthotist 20 ICT
21 Infection Prevention and Control
## Appendix 2 - Implementation Plan

### Implementation Plan - "One Voice" Health Procurement

<table>
<thead>
<tr>
<th>Organisation Structure</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
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<tbody>
<tr>
<td>Finalise Draft Organisation Structure</td>
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<tr>
<td>Develop draft roles, responsibilities and reporting relationships for each position</td>
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<td>Determine the numbers / grades of resources required</td>
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### Resources

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<tbody>
<tr>
<td>Identify the available resources</td>
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<tr>
<td>Identify gaps against requirements</td>
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<tr>
<td>Select a Fit for Role to be filled</td>
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<td>Develop propositions for specific resources to fill the roles identified</td>
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<tr>
<td>Develop deployment strategy / timing</td>
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<tr>
<td>Select candidates where required</td>
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<tr>
<td>Deploy resources to new roles</td>
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<tr>
<td>Finalise Integration Plan for HPSG</td>
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### Process and Procedures

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<tbody>
<tr>
<td>Prepare Draft Process Maps for each scenario</td>
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<tr>
<td>Workshops with stakeholders to validate and obtain agreement</td>
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<tr>
<td>Prepare Standard Operating Procedures (SOPs) in compliance with national fin.</td>
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<tr>
<td>Final SOPs</td>
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### Agree Detailed Operating Model with Customers, HSE, HBS, DOH

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<tbody>
<tr>
<td>Provide draft operating model to Key Stakeholders</td>
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<tr>
<td>Consult with Key Stakeholders as required</td>
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<tr>
<td>Obtain DOH / HSE / HBS approval</td>
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### Consult with Staff

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<tbody>
<tr>
<td>Provide draft document on proposed structures, responsibilities and procedures to staff reps</td>
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<tr>
<td>Consult with Staff / Staff Representatives</td>
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<tr>
<td>Finalise Proposals</td>
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### Service Level Agreement - OGP

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<th>March</th>
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<tbody>
<tr>
<td>Review draft principles for SLA proposed by OGP</td>
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<tr>
<td>Discuss and agree SLA principles with OGP</td>
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<td>Review detailed SLA proposed by OGP</td>
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<td>Discuss and agree SLA with OGP</td>
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<tr>
<td>Finalise Health Procurement / OGP SLA</td>
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### Service Level Agreements - Health Sector Customers

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<tr>
<td>Prepare draft principles for SLA with Health Sector Customers</td>
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<td>Discuss and agree SLA principles with Health Procurement Working Groups</td>
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<td>Discus and agree SLA with Health Working Groups</td>
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<td>Obtain Sign-off on Health Procurement / Health Customer SLA</td>
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### Systems

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<td>Prepare systems strategy and high level requirements for Health Procurement</td>
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<td>Determine working strategy and delivery approach</td>
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<td>Put in place the necessary resources to run the projects</td>
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<td>Implement new systems</td>
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### Change Management and Communications

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<td>Analyse and define requirements for Change Management and Communications</td>
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<td>Contact stakeholder analysts</td>
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<tr>
<td>Decide on communications strategy, channels and key messages</td>
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<td>Prepare communications and change management plans</td>
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<tr>
<td>Commence implementation of communications and change management plans</td>
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### Management Information

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<td>Commence implementation of MIS project</td>
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Appendix 3 – Category Transition Plan

This is the plan to transition non-Health-led categories from health to OGP and other Departments, and for Health-led categories to transition from other Departments into HBS Procurement.

<table>
<thead>
<tr>
<th>TASK ID</th>
<th>Sub</th>
<th>Task Description</th>
<th>Start Date</th>
<th>Finish Date</th>
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<tbody>
<tr>
<td>1</td>
<td>1.1</td>
<td>Confirm ‘One Voice Sourcing Function &amp; Interim Operating Model for Health</td>
<td>01/01/2014</td>
<td>30/10/2014</td>
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<tr>
<td></td>
<td></td>
<td>Conduct final internal leadership / stakeholder design workshops</td>
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<td></td>
<td>1.2</td>
<td>Finalise Report and submit for Approval of HBS / HSE</td>
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<tr>
<td></td>
<td>1.3</td>
<td>Receive Approval HSE / Voluntary Agencies / DOH</td>
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<td>1.4</td>
<td>Inform CPO</td>
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<td>2</td>
<td>2.1</td>
<td>Release staff recruited from Health to OGP</td>
<td>01/01/2014</td>
<td>31/12/2014</td>
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<tr>
<td>3</td>
<td>3.1</td>
<td>Do gap analysis on Health Category Sourcing Roles / realign staff to meet priority projects</td>
<td>01/06/2014</td>
<td>31/12/2014</td>
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<tr>
<td></td>
<td>3.2</td>
<td>Realign staff to new portfolio and categories</td>
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<tr>
<td></td>
<td>3.3</td>
<td>Re-assign / transition current work as appropriate &amp; assign new category projects</td>
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<tr>
<td>4</td>
<td>4.1</td>
<td>Build complete view of Health Sector Sourcing WIP / Pipeline (all categories)</td>
<td>01/06/2014</td>
<td>30/11/2014</td>
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<tr>
<td></td>
<td></td>
<td>Review HSE WIP / Pipelines</td>
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<tr>
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<td></td>
<td>Survey and Review Section 39 Agency WIP / pipelines</td>
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<td>Survey and Review Section 38 Agency WIP / pipelines</td>
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<td>5</td>
<td>5.1</td>
<td>Build Health Sector Sourcing Programme 2015 - 2018</td>
<td>01/09/2014</td>
<td>31/12/2014</td>
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<td>Input Health Sourcing Pipeline Information into multi annual plan</td>
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<td>Survey Customer to ascertain Sourcing Requirement for 2015</td>
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<td></td>
<td>5.3</td>
<td>Identify Savings Targets for plan</td>
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<td>5.4</td>
<td>Confirm Plan / Priorities with Customers</td>
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<td>5.5</td>
<td>Identify Portfolio Categories and Projects / Savings Targets to be transitioned to OGP</td>
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<td>5.6</td>
<td>Identify Portfolio Categories and Projects / Savings Targets to be transitioned to LA</td>
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<td>5.7</td>
<td>Identify Portfolio Categories and Projects / Savings Targets to be transitioned to Education</td>
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<td>5.8</td>
<td>Identify Portfolio Categories and Projects / Savings Targets to be transitioned to Defence</td>
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<td>6</td>
<td>6.1</td>
<td>Finalise MOU &amp; SLA for OGP / LA / Education / Defence</td>
<td>01/10/2014</td>
<td>30/11/2014</td>
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<tr>
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<td>Review Draft MOU and SLA Templates</td>
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<td>6.2</td>
<td>Agree Wave Plan for Non Medical Categories Transitioning from Health to OGP</td>
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<td>6.3</td>
<td>Agree Wave Plan for Non Medical Categories Transitioning from Health to LA</td>
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<td>6.4</td>
<td>Agree Wave Plan for Non Medical Categories Transitioning from Health to Education</td>
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<td>6.5</td>
<td>Agree Wave Plan for Non Medical Categories Transitioning from Health to Defence</td>
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<tr>
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<td>6.6</td>
<td>Agree Transition Plan for Medical Categories Transitioning from LA to Health</td>
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<tr>
<td></td>
<td>6.7</td>
<td>Agree Transition Plan for Medical Categories Transitioning from Education to Health</td>
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<tr>
<td></td>
<td>6.8</td>
<td>Agree Transition Plan for Medical Categories Transitioning from Defence to Health</td>
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<td>7</td>
<td>7.1</td>
<td>Complete gap / impact analysis of Non Medical Projects unable to Transition to OGP / Sectors</td>
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<td>07/12/2014</td>
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<td>7.2</td>
<td>Impact on Services</td>
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<td>7.3</td>
<td>Impact on Savings Target</td>
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<td>7.4</td>
<td>Impact on Compliance</td>
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<td>8</td>
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<td>Agree Remedial Plan with CPO/OGP to address gaps / impacts on HSE Service Plan 2015</td>
<td>07/12/2014</td>
<td>14/12/2014</td>
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